

House of Representatives because the President has failed to put forward a plan. I hope our colleagues in the Senate will do the right thing for this country and start to get us on that pathway that will enable us to get past the short-term challenges we face, get us to an opportunity to vote on a balanced budget amendment, which I think is desperately needed in this country, which would put the kind of fiscal discipline we need in place for the long term, so we aren't having year-over-year \$1.5 trillion deficits that continue to accumulate more and more debt and put this country at a greater risk in future generations and greater jeopardy.

I hope my colleagues will support a responsible plan that actually does cut spending, does address the issue of entitlement reform, does it without raising taxes, and make sure that come next Tuesday we have taken the necessary action to protect our economy, shield it from any adverse impacts that could occur as a result of us not raising our debt limit but do it in a way that addresses the fundamental issue, which is the debt.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Georgia.

Mr. ISAKSON. Madam President, I associate myself with the remarks of the Senator from South Dakota. Before coming to the floor this morning, I returned 2 phone calls I received yesterday out of 2,000 that came into the office. I picked those two because they were people I have known for a long time but haven't talked to in a long time, and they have never called me in my capacity as a Senator. Both of them are businesspeople, both are neighbors, and both had the same message: the uncertainty that Congress and this administration is now causing in terms of our inability to meet the day of reckoning next Tuesday, when we must do so, is beginning to impact their business, their philosophy, their investments, and their country.

What we are doing as we almost dilly-dally around, putting off a final decision, agreeing to not agree on anything is we are making the situation worse. I think the reports in a couple months will show economic activity in July will show America is slowing down, economic activity is slowing down. That is because Congress and this President cannot get their act together.

History and facts are stubborn. I wish to go over a 2-year history of this debt ceiling crisis because, for years, we have known it was coming. For 2 years, we have talked about it. In fact, a little over 18 months ago on the floor of the Senate, Republicans and Democrats passed a deficit commission amendment, which made it successfully through Congress, was signed by the President, and that deficit commission was created. It was charged with coming up with a solution for our rising spending problems, reduction of the

deficit and debt over time, better management of our fiscal policy, and getting Congress's act together, where it could vote up or down on a proposal. That became known as the Simpson-Bowles proposal. It would cut \$4 trillion in spending over one decade, reform our tax policy, and weed out a lot of bad things that have been in there for a long time.

What happened is, when it came out in December, the President rejected it out of hand. I am not being partisan, because a bipartisan group of people offered that proposal. I was one of the five Republicans who voted for it on the floor. I thought it was a conscientious way to address the debt and deficit and the problem we faced. For some reason, unbeknownst to me, the President rejected it out of hand. All he had to do was send it to the Senate for an up-or-down vote, and we would at least have begun the process of dealing with the debt and deficit. Instead, he rejected it out of hand.

In the months preceding this debate today and this coming Tuesday when we run up against the debt ceiling, we have had other legislation come to the floor or from the House that has been rejected out of hand. The cut, cap, and balance legislation, which I voted not to table last week, the majority leader decided to not even discuss but to make a motion to table it. But that was a conscientious way to deal with our deficit and debt over time. It was a disciplined process that said we need to make cuts now and begin the process—\$51 billion—and watch our spending in the future based on historical spending averages, and we ought to give the American people a chance to say: Does America need a balanced budget?

Instead, the Senate tabled it, when we had a chance to say just say yes to solving our problems, and we just said no.

Last night, Speaker BOEHNER's bill, which was to be voted on today, was pulled off because of a revenue estimate produced by CBO. I hope that will get worked out and will pass the House and will come back to the Senate. It is about time for us to say just say yes to something instead of just saying no.

I wish to talk about the consequences of just saying no for a second. The longer we say no, the longer we send uncertainty into the world markets and our own markets, the worse our problem will be.

Our tax system is based on Americans being prosperous. As America prospers, as we have better economic activity, our revenues go up—not because we raise taxes but because we raise expectations. We are now lowering expectations in America.

The two businesspeople I talked to this morning said they do not know what to do. Quite frankly, I didn't know what to advise them. I ran a company for 22 years, and I know the worst thing about running a business is to have uncertainty in terms of which way to go.

So it is my sincere hope everybody will come together and realize no is not an option. We need to say yes. If the President has a plan, bring it. If the House passes their plan, let's vote for it on the Senate floor. But let's move forward because the price and the cost of uncertainty is destroying what little economic vibrance the United States of America has today.

Let's raise the expectations of our people. Let's raise the productivity of the Senate and the Congress and this President. Let's sit down at the bigger table of common sense and find a solution, and let's find it now.

Madam President, I yield the floor.

The ACTING PRESIDENT pro tempore. The majority leader.

EXTENSION OF MORNING BUSINESS

Mr. REID. Madam President, I have spoken with the Republican leader, and I now ask unanimous consent that the period of morning business be extended until 2 p.m. today; that during that time Senators be allowed to speak for up to 10 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Wyoming.

A SECOND OPINION

Mr. BARRASSO. Madam President, I come to the floor today having listened to my colleagues and looking at the most recent job data, which shows the effects of our struggling economy. Unemployment is going up, wages are going down, and there are concerns all around the country with jobs, the economy, the debt, and spending.

I have to say, I certainly believe, as somebody who has practiced medicine for 25 years in Wyoming and taken care of families all around the Cowboy State and been very involved in the debate over the health care law, that the President's health care law makes matters worse, absolutely makes matters worse.

The President's health care law makes matters worse by forcing employers to either offer government-approved health insurance or pay higher expenses. Each day it becomes obvious to me the new health care law is designed to ultimately end employer-provided coverage altogether and to encourage Americans to join government-run exchanges. That is why, as a doctor, I come to the floor week after week with a doctor's second opinion about the health care law. Under this law businesses are permitted to drop out of paying for employer-provided coverage as long as they pay a fine. The fine is about \$2,000 per employee. This number is far smaller than what it would actually cost the business to provide family health benefits to each of their employees.

So what happens with small businesses in this country? Well, they are

going to face an ever-clearer incentive to drop coverage for the people they employ. They are not required to pay this fine for the first 50 workers who lose coverage. So the question is, Where are these people supposed to go? Where do they go for their insurance? How does it work?

The President promised them if they like what they have, they can keep it. Yet the incentives built into the health care law seem to be encouraging employers to drop their employees. So where do they go?

Well, the new health care law sets up what are called health care exchanges for these people to enter. Whether they want to or not they will be forced to go that way. These exchanges are short-hand for insurance markets where as much as 80 percent of the cost of the family's insurance could be actually borne by taxpayers. Under these circumstances, the natural response is for businesses to drop coverage for their employees altogether and then simply offer them some less expensive cash benefits.

Meanwhile, what happens to the employees who are going to lose the coverage they may like and then try to replace it because that is what is going to happen? They will have to replace it with a plan Washington mandates. That is of concern to a lot of Americans, and this may be very bad news for the patient and is really bad news for taxpayers.

Experts predict the annual cost to provide government insurance subsidies could cost up to nine times more than what the White House originally claimed. If that isn't proof enough the health care law is the wrong prescription to help America's job creators continue offering coverage to their workers, let's take a look at some of the things that have just come out in the last week.

This week, on Monday, July 25, the National Federation of Independent Business—a group that represents small businesses all around the country—released an astonishing new report. The NFIB surveyed 750 small businesses. These are small businesses of less than 50 employees. The survey asked these small businesses if they planned to drop health insurance coverage should their employees become eligible for this government subsidy to buy health insurance in the so-called exchange. More than one-quarter of the small businesses who offer coverage today—over one-quarter of the small businesses that offer coverage today—said they were very likely to drop coverage. I repeat: Very likely to drop coverage. Another 31 percent said they are somewhat likely to drop coverage; that they needed to look into it to find the specifics.

When we take a look and add the ones who are very likely and somewhat likely to drop coverage, we are looking at over half the small businesses in this country dropping insurance coverage and effectively dumping their

employees into the government-run exchange.

The small business group in the survey and the response from these small businesses prompted the Wall Street Journal to print an editorial highlighting this data. It is entitled "The Flight to the Exchanges." When I read this, I said: Gee, I couldn't have said it better myself.

The President's health care law wraps businesses in reams of bureaucratic redtape and uncertainty. Adding insult to injury, on Monday, July 11, of this year, the Department of Health and Human Services released yet another proposed regulation mandated by the health care law. The Obama administration issued its proposed insurance exchange regulation. What the rules do is give the States the specific framework they must use to set up a program or an exchange with this Washington-approved and mandated insurance. Here we go again, another example of where this administration takes roughly 30 pages from the health care law and turns it into 340 pages of bureaucratic Washington rules and regulations.

Of course, the Secretary of Health and Human Services is trying to sell this new rule as offering competition and uses the word "flexibility." But nothing could be further from the truth. How flexible can a 347-page Washington rule be when it is a rule that contains the word "must" 580 times and includes the word "require" 811 times? How flexible can that Washington rule actually be?

Well, after examining all the rule's "musts" and "requires," one thing is very clear: This administration is paying lip service to State flexibility while their policy is promoting a Washington-mandated, Washington-dictated, Washington-enforced approach. This regulation details a very complex and confusing process that States are going to have to follow. The States have to follow these confusing rules in an effort to prove to the Department of Health and Human Services they meet its Washington mandates to set up and run the insurance exchanges, and they have very little time to do it. So this administration creates onerous new mandates and then fails to give States ample time to meet their overwhelming set of requirements.

Let's put this into context for the States. Comments of the administration's proposed rules are due this September 28. Typically, it can take the Department of Health and Human Services 6 months to review those comments about the rules and issue a final rule. That means we would likely see a final rule in March of 2012. Remember, there are significant details missing from these exchange regulations. This regulation is only part of the details States need to review before they can decide whether to run a health insurance exchange on their own or let the Federal Government do it.

The administration has yet to release rules explaining the health care law's

essential health benefits package, the individual eligibility to participate in the exchanges, quality standards for the exchanges, and quality standards for the participating insurance plans. Those details may not come out until October or November of this year. This means States still do not know what the minimum set—the minimum set—of health services individuals, small businesses, and insurers will have to offer in the exchange. Pending missing details and further rules expected to come from the administration this fall, final rules—final rules—may be in place finally in May or June of 2012. States would then have to be prepared to submit their plan in June of 2012 to Health and Human Services to be certified.

But what happens if the rules aren't out by then? Many State legislatures end their sessions by June, making complying with this tight time line extremely difficult, if not impossible. It seems to me this administration will have had 2 years to post their final regulations while the States may have only 2 months to comply.

What happens if a State isn't ready? They say have no fear; Washington is here to help. That is what they say. If the Department of Health and Human Services says a State's insurance exchange is not in compliance, then Washington will swoop in and set up its own program. This is often called the Federal fallback or the federally facilitated exchange, big fancy words for Washington bureaucrats telling States what they have to do.

The irony of all this is the administration's rules offer very few details explaining what this Federal fallback exchange will look like, so the States don't even know what happens if the Federal fallback comes into play.

Is the Department of Health and Human Services creating a stealth, back-door Federal exchange? If a State doesn't have adequate time to meet all the operational program requirements and the burdensome review process, it sounds to me like the Obama administration will then take control of the States.

Why should a State such as Utah, for example, that has created an especially designed insurance marketplace be forced to comply with onerous and costly requirements of this rule? If they are not willing to comply, will they face the consequences that Washington will make the final decision? States should be encouraged to create innovative solutions that meet the unique needs of their constituents, not forced to follow a one-size-fits-all laundry list of Washington mandates.

This is why I returned to the floor today, as a physician who has practiced medicine for a long time, with a doctor's second opinion, to tell you I believe this health care law is one that is bad for patients, it is bad for providers—the nurses and the doctors who take care of those patients—and it is bad for taxpayers. It is why I believe it

is important we repeal and replace this health care law.

Madam President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Maryland.

Ms. MIKULSKI. Madam President, how much time am I allowed?

The ACTING PRESIDENT pro tempore. Ten minutes.

Ms. MIKULSKI. I thank the Chair.

THE DEBT LIMIT

Ms. MIKULSKI. Madam President, I come to the floor today with a great sense of urgency. We are less than 1 week away from reaching our debt limit. If we fail and we falter, the United States of America will be irrevocably fractured. We aren't at an impasse; we are at the edge of a cliff. Unless Congress acts, we are going to go over it.

What will be the consequences of it? If we do not meet our obligations to pay our debts, it will result in a default, and default will result in enormous increases in interest rates. For Americans who are so worried about tax increases, I've got to send a real red alert. When interest rates go sky high because of our failure to act, it will be the biggest tax on America that we could have, and it will be a tax at the kitchen table. It means if anyone has a variable-rate mortgage, it will skyrocket.

If you have a student loan, that interest is going to increase. If you have a car loan, forget it. The payments are going to be enormous. So we need to face what this means: raising the debt limit. We need to prevent the default so our bond rating is not lowered.

I have never been big on talking about bond ratings, but this is a crucial one. We now have a AAA bond rating. So what does that mean? It means when they buy our Treasury bills or other government-secured investments, but particularly our T-bills, it is as good as gold. If we are downgraded, we could just be a tinhorn, tin-cup nation. This is not the United States of America. This is not what people fought and died for.

When people say they represent a party that wants to defend the Constitution, we all have to defend the Constitution. Right now, defending the Constitution and defending America is to lift our debt ceiling and get to the hard work of, No. 1, dealing with our debt but also dealing with job growth.

We have to get to work. Instead, we are busy at work playing the blame game. Squabbling is not a solution. But I believe we Democrats do have a solution, and I think the solution does lie in the Reid proposal. The Reid proposal the majority leader has offered is substantive, it is real, and it is achievable.

I was on TV yesterday, and they said: Oh, you are a liberal Democrat. Well, I don't know if I am a liberal, I don't know if I am a conservative, but I will tell you what I am. I am a diner Democrat. I think about the people. I think

about the ordinary people, and I think about their day-to-day needs. When people talk about what kind of solutions they mean, they want everything on the table. What I want on the table are the things that affect the kitchen table. That is why I support the Reid proposal. It is an achievable framework for avoiding default and downgrade of our bond rating now.

What does it do? It has three important elements.

One, timing, to take us through 2012. It is not about the next election. It is showing we are serious and we are substantive.

Second, it has important content where we do cut Federal spending. It's observable, it's quantifiable, and it's verifiable.

No. 3, it gives us a path forward to deal with the important issues of entitlement and revenue reform. Wow.

So why can't they take it? I am puzzled about why they can't take it. Is it 2012? OK. Who knows who is going to be in control of either the White House or the Congress then? But it can't be about us. It is not about me. It is about we—we, the people.

Let's go to the content. There are substantial cuts there in discretionary spending. And there are substantial cuts to defense spending that do not affect readiness or military health care. These are actually cuts that the House voted for in the Ryan budget. So a few weeks ago, they said yes to the cuts. But when we say yes to the cuts, they say no to the proposal. I don't get it. But it's not whether I get it. It is that we have to make sure we get a solution.

What I think is important about the Reid proposal is it is \$2.7 trillion in cuts. I understand CBO has scored it and they say it is \$2.2 trillion. Well, \$2.2 trillion, \$2.7 trillion, that is real money. That is real money, and it shows we are serious.

It also provides this important path forward called a Joint Committee. It is not a commission where it is going to be outsiders who are experts from think-tank environments and hoo-ha, hoo-ha. It's Members of Congress, both sides of the aisle, both sides of the Dome. Let's get it together with them, and then let's have this committee where we then move forward on the reform of revenue as well as looking at entitlement reform.

I want to be clear that if, the horror of all horrors comes where we fracture the standing of the United States of America, not only in the financial markets but in the standing of the world, it will have very serious consequences.

The President is going to have to pay the bills based on whatever money is coming in. He would not be able to borrow. America would not be able to borrow. So our T-bill will not have the same value it once did. He is going to have to pay our bills.

What are the consequences on federal benefits? One is paychecks. The first paycheck he is going to meet is the

paycheck for our troops. He has to make sure that if they are fighting to defend America while we are squabbling around and screwing around, we are going to pay our troops. My God, did it ever occur to anyone that our troops wouldn't get paid? Yes, it is going to be tight.

So we pay the troops. We are going to certainly pay our veterans' benefits. They might not be the same amount the first month, but we will kind of squeak through. Then, it will be Social Security. Well, maybe the checks will go out, but maybe it will only be at half the amount. But the Social Security offices will be closed. So benefits will have a direct impact.

Where is he going to slow down the trickle of money? To State and local governments. So what does that mean? Community development block grant money, education, and so on. That is going to cause enormous layoffs of public employees and contractors at the State and local level. The asphalt contractor, the person who handles the office machinery, minority contractors, and so on—all that small business they love to romanticize over are going to have a big impact.

Then the Federal Government will definitely have to slow down or not pay at all contractors, whether it is the big defense guys that employ thousands and thousands of people or it is the small- to medium-sized businesses, like the ones in my own State that do information technology?

We are about to destroy the reputation and solvency of the United States of America. We are about to destroy the reputation and solvency of the United States of America not only for one day but for a decade and maybe the rest of the century. This is not being done by an outside power. We are spending \$700 billion on defense, and we are destroying ourselves by a self-inflicted wound because of political dysfunction, political rigidity, and political ideology. What the heck is this? I could even use more intense language. What we are about to do, we cannot allow this to happen.

One of my colleagues said to me yesterday, Senator MIKULSKI, what would it take to get you to the table? I said: Get me a plan and 30 Republican names behind it; I will see if I can support the plan and get 30 others.

I know my time is up, but I don't want the time to be up on America. Let's come together. Let's stop being Democrats, let's stop being Republicans, let's call us what we should be called: Americans.

What do Americans do? When the times are tough, the tough get going. Let's get going. Let's make the tough decisions. Let's put politics aside, put America No. 1, and get us back on track.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from New York.

Mr. SCHUMER. First, I wish to thank my good friend and colleague